REMARKS

Claims 14-15 were pending in the Application, and were rejected. By this Response, Claims 14-15 are amended, and Claims 21-27 are added. No new matter is added by these amendments.

A change to the Title is necessitated by the cancelation of Claims 1-13 and 16-20 in the previous Restriction by the Office and our Election.

The subject matter of the present invention is a method of operating a payment card with a magnetic stripe that can present valid payment account data to a reader for a predetermined time. At least some portion of the magnetically recorded account data in the magnetic stripe is autonomously programmable by virtue of an intrinsic magnetic array.

Claims 14-15 were directed toward a method for operating a payment card. These are amended here to recite a fuller, more distinctive elaboration of the elements that characterize embodiments of the present invention. The original recitations were just broad enough and sweeping to read on the prior art that has been cited by the Office.

Claim 14 was rejected under 35 USC 102(b) as being anticipated by Cooper (US 5,834,747). Cooper describes an

embedded magnetic stripe 2 with a magnetization pattern disposed on a plastic substrate 1. A programmable magnetic stripe 10 receives data from a control circuit 11. A so-called multi-card (Fig. 2) has a programmable magnetic stripe 4 to support presentation during its operation of one of several sets of data corresponding to different credit cards' account information.

The whole of the programmable magnetic stripe 10 is used by Cooper to present the whole of each different credit card's account information. There is no permanently recorded part. The programmable magnetic stripe 10 is activated when the user touches a keypad 13. "When each account is called, the magnetic data for that account is loaded into the magnetic strip 4, causing the magnetic strip to simulate the magnetic strip on the prior art type card by emulating, approximating, replicating or duplicating the magnetic pattern, depending on the accuracy required by the device reading the pattern." Col. 3, lines 14-19. Such is independent of the card actually being placed in a card reader.

Cooper describes, "It may also be noted that the material used for 20 may be of a type having a large magnetic memory or hysteresis so that once a magnetic pattern is generated in the material, the electric current through the coils may be turned off or reduced and the magnetic field will remain....Techniques which are used to write and read magnetic core type memory, as well as the

materials used therefore, will be applicable to the generation of magnetic patterns for 10,...". Col. 7, lines 24-32. Cooper does not teach deliberately removing the magnetic data after a predetermined time to make such data unavailable to a card reader.

The Office Action cited Cooper, Col. 4, lines 29-47; and Col. 6, lines 48-61, as anticipating the second element of Claim 14, "presenting valid data to said magnetic array for a limited time." In order to discuss really what Cooper teaches, the whole of these two cites follow here.

Cooper, Col. 4, lines 29-47, "The connection of the processor of 11, be it an 80C31 or other type may be made directly via matrixing of the two connections of the individual coils in 10, for example as is commonly done to write (and read from) core type magnetic memory in the computer industry....Alternately, a large serial shift register array may be loaded with serial binary data under control of 11 with the array's output being enabled to a low impedance state from a high impedance state after loading....The binary data may thus cause the many parallel outputs, each of which is coupled to a coil, to source electrons into the coil, or sink electrons from the coil, providing that the other end of each coil is connected to a voltage source which is midway between the output's high and low logic level states....To achieve control over the current flow through the coils, multiple serial shift registers may be utilized, with several outputs being

coupled to each coil through resistors or other current controlling circuits, the pattern of data in the several outputs controlling the current flow."

Cooper, Col. 6, lines 48-61, "It is preferred that by utilizing the foregoing programming procedure, the operator stores the magnetic pattern, account identifier and desired associated select designator in 11....Upon subsequent entry of the associated select designator, the control circuit 11 recalls the associated data corresponding to the magnetic pattern and the account identifier from memory....The account identifier is loaded in the display 12 to remind the operator what the data is associated with, and the magnetic pattern is caused to be replicated in 10 from the stored data....The replicated magnetic pattern in 10 may then be utilized to operate a card reading device to provide the operator access to the account, services, features or other conveniences associated therewith, and hence associated with the card which was read by 17."

Nowhere do either of these describe anything like, "presenting valid data to said magnetic array for a limited time". Nevertheless, Claims 14-15 are amended to give more precise definitions to the "presenting" and the "limited time." So the "anticipation" under 35 USC 102(b) is nonexistent. Claim 14 should have been allowed.

Claim 14 is amended to include limitations for the user account data being recorded in a combination of programmable and non-programmable bit positions. It is now further

limited to the writing by the programmable magnetic array when triggered by the card-swipe detectors. The "limited time" in the last element is now with reference to being triggered by the card-swipe detectors.

New Claims 21-27 depend from Claim 14 and add further limitations for limiting the number of card transactions, collocating a smartcard interface (like in Claim 15), sharing a crypto-processor, and using data input from the smartcard interface to modify data output magnetically by the programmable magnetic array....Such is provided for on Page 10 of the Specification in the second paragraph, "Additionally, the data may be installed at the card issuer, bank agency, or manufacturer by existing legacy methods....The data received is stored in non-volatile memory....Alternatively, the data receptor 205 can be a radio frequency antenna and receiver, typical to ISO/IEC/IEC Specifications 24443 and 25693....The data generator 204 may be part of a secure processor that can do cryptographic processing, similar to Europay-Mastercard-Visa (EMV) cryptoprocessors used in prior art 'smart cards'."

Claim 27 recites, "timing out a release of encrypted card data for legacy magnetic stripe and smart card transaction processes." Such subject matter was disclosed in the original Specification at Page 13, lines 23-26.

Claim 15 was rejected under 35 USC 103(a) as being unpatentable over Cooper, in view of Berger (US 6,105,874). Berger was cited for teaching a smartcard contact interface

and a smartcard wireless interface on the same card. Claim 15 is amended to simply recite a smartcard interface, which could include either or both of the contact type and contactless type smartcard interfaces.

Claim 15 is further amended to differentiate the recitation from the teachings of Cooper.

Should the Examiner have any questions, the Applicant's counsel would be pleased and available to discuss them, or any other concern, by email or at the telephone number listed below.

Respectfully submitted,

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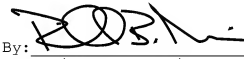
By: 

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